

1 to list that I think, you know, could also be
2 popular.

3 So part of it is getting through some of
4 those challenges with the exchanges and saying, Well,
5 you know, maybe this will cover some of your
6 integration costs. You know, we'll partner with you
7 on a trading incentive program so that, you know,
8 you're guaranteed volume at launch. Not guaranteed,
9 but -- so that we can help engender a popular launch
10 as you folks trade it.

11 You know, I think there -- with -- with
12 some exchanges, in particular, like Bitstamp and
13 Bitso, there was certainly an interest in kind of a
14 longer-term partnership. Even at that early stage, I
15 think we were already thinking about which one of
16 these exchanges are going to be our, like, anchor
17 exchanges for the product, which really started to
18 come into fruition in March of '17. That's when all
19 of this was kind of happening.

20 So, yeah, not just one reason, really, but
21 kind of an amalgam, if you will.

22 Q. Ripple wanted XRP to be listed on as many
23 exchanges as possible, right?

24 MR. HORTON: Objection to form.

25 A. I think there are some exchanges that

1 need -- crypto -- you know, there are some exchanges
2 you don't know anything about. Some exchanges get
3 hacked. Some exchanges have reputational issues. I
4 think, in some respects, maybe those exchanges aren't
5 at valuable and kind of less interested in whether or
6 not XRP ever gets listed on those.

7 I think -- there's a -- there's a broad
8 goal of more exchange listings because that's
9 helpful, again, to, like, the whole liquidity
10 ecosystem. But, yeah, I wouldn't say as many as
11 possible.

12 Q. As many reputable exchanges as possible.

13 MR. HORTON: Objection.

14 A. Sure. Yes.

15 Q. And absent these agreements between Ripple
16 and the exchanges, would those exchanges have listed
17 XRP on their own?

18 MR. HORTON: Objection, form.

19 A. I don't know.

20 Q. Why would they have any incentive to list
21 XRP?

22 MR. HORTON: Objection. Calls for
23 speculation.

24 A. I mean as -- if, at any point, XRP starts
25 trading high volume on another, like a competing

1 exchange, then the -- their competitors would list
2 it.

3 Q. At the time that you --

4 A. Which is what happened. Mostly.

5 So, I mean, most of the listing didn't have
6 anything to do with us. The most XRP listings
7 happened organically on the back of -- you know,
8 again, kind of crypto doing what it does, XRP
9 following and then people saying, Whoa, XRP's trading
10 \$50 million on one exchange. How -- why don't we
11 have XRP listed? It trades a lot.

12 Q. In 2017, did XRP organically become listed
13 on exchanges?

14 A. Yes.

15 Q. Did Ripple play a role in getting XRP
16 listed on certain exchanges?

17 A. Yes.

18 MR. HORTON: Objection to form.

19 Q. And what role did it play?

20 A. Again, it depends a little bit on -- on the
21 exchanges. But with some exchanges, we would enter
22 in -- into some sort of a partnership where we would
23 either subsidize integration cost, or fund -- kind of
24 fee rebate programs for the customers at the
25 exchanges.

1 Q. And how did these fee rebates programs
2 work?

3 A. They were volume-based, mostly. I don't
4 remember all of the specifics, but I remember them
5 being highly volume-based.

6 Q. Ripple would -- would provide volume-based
7 incentives to people who traded XRP?

8 MR. HORTON: Objection to form.

9 A. We would provide -- we would provide funds
10 to the exchanges. And if I remember correctly, the
11 exchanges would then have -- more control over
12 exactly the programs. But if I remember correctly,
13 they were mostly volume-based.

14 Q. I'm not really clear. So Ripple would
15 provide funding for certain fee rebates and volume
16 incentive programs?

17 A. Yes. If I -- again, this is going back a
18 while now. I don't remember us designing the
19 programs, is what I mean.

20 Q. Who sets the parameters for the program?

21 A. If I remember correctly, I think it was the
22 exchanges.

23 Q. Did Ripple -- who set the amount of money
24 that was budgeted for the incentives?

25 MR. HORTON: Objection to form.

1 A. That was negotiated between us and the
2 exchange.

3 Q. Who had the final decision regarding the
4 amount of incentives?

5 MR. HORTON: Objection to form.

6 A. I think -- I think it varied by amount.

7 Sorry. Can I just get a clarification?
8 Are you asking me was it Ripple or the exchange that
9 had -- there was a negotiation.

10 Q. Did Ripple advertise these agreements with
11 exchanges?

12 MR. HORTON: Objection to form.

13 A. I don't remember.

14 MS. WAXMAN: Exhibit 10.

15 (Email re: Get XRP with 0% Fees, Bates
16 0353152, was marked MV Exhibit 10 for
17 identification, as of this date.)

18 Q. I'm showing you what's been marked
19 Exhibit MV 10, which has the Bates 0353152.

20 (Witness reviewing document.)

21 A. Okay.

22 Q. Does this -- is there any reason to believe
23 that you didn't get this email?

24 A. No.

25 Q. Does this refresh your memory whether

1 Ripple advertised these agreements with exchanges?

2 MS. COWAN: Objection.

3 A. With respect to Bitstamp?

4 Q. Did it advertise any agreements with any
5 other exchanges?

6 MR. HORTON: Objection to form.

7 A. I don't remember.

8 Q. The -- did Ripple send blast emails
9 regarding trading on Bitstamp with zero percent fees?

10 MR. HORTON: Objection to form.

11 A. I don't know. My -- the first line here
12 says, I guess -- guessing we send these blasts
13 regularly. First time I'm seeing it, but I was -- I
14 don't -- it seems like -- I don't remember this
15 document, but it seems like it was a surprise to me,
16 apparently.

17 Q. Why would Ripple want to advertise
18 zero percent fees for trading on Bitstamp?

19 MR. HORTON: Objection to form.

20 A. So, I -- again, hard for me to speak for
21 the company, but Bitstamp was a partner. We did this
22 deal with them. You want -- you want this --
23 endeavor to be successful, you want Bitstamp to have
24 high volume in XRP. So I think it looks like we were
25 doing our part in advertising it.

1 Q. And people who were buying and selling XRP
2 at -- on Bitstamp were speculating in XRP?

3 MR. HORTON: Objection to form.

4 A. I don't know.

5 Q. At the time of this partnership, had
6 Bitstamp integrated xRapid?

7 MR. HORTON: Objection to form.

8 A. No.

9 Q. So the only reason to promote XRP trading
10 on Bitstamp was to promote speculation in XRP?

11 MR. HORTON: Objection to form.

12 A. I think the -- I think the reason to
13 promote this was to get activity in XRP, was to grow
14 liquidity. This could also be for market makers.
15 And I think that's one of the things that Patrick is
16 referencing here. He said nothing about volume
17 incentives.

18 Remembering it now, there were generally
19 two types of programs. There was one that was just
20 zero fees, and that was for -- for nonmarket makers,
21 who tend to be a smaller piece of the liquidity pie
22 inside of the exchanges. The volume incentives were
23 meant to attract market makers to provide liquidity.

24 So I wouldn't say it was just for
25 speculation.

1 Q. Well, I'm just talking about the rebates
2 for the smaller volume, buying and selling.

3 Was that to attract retail purchasers of
4 XRP?

5 MR. HORTON: Objection to form.

6 A. No.

7 There was nothing that says that the -- the
8 market makers also couldn't participate with this on
9 the zero fees. So I think this is -- I think it's a
10 missed opportunity to talk about the other program as
11 well. But, no, this -- I think this is for a broader
12 audience.

13 Q. Did Ripple send blast emails to market
14 makers advertising this program?

15 MR. HORTON: Objection to form.

16 A. I don't know who they sent this to.

17 Q. Ripple also provided volume-based
18 incentives that were primarily directed towards
19 market makers.

20 MR. HORTON: Objection to form.

21 Is that a question?

22 A. Am I supposed to answer something?

23 Q. I'll rephrase.

24 Were the -- was the volume-based incentives
25 primarily directed at market makers?

1 MR. HORTON: Objection to form.

2 A. So I don't know how Bitstamp would have --
3 I can't remember how Bitstamp would have communicated
4 the volume incentive program. Our assumption was
5 because it is a volume incentive program, and we
6 understood the -- the larger pieces of the volume on
7 the exchanges were generated by market makers; that
8 the market makers would be the ones who could
9 participate kind of more fully in that program.

10 But I don't think it precludes a very
11 active trader as an example to participate in the
12 volume incentive program.

13 Q. And if you compare the rebate -- the fee
14 rebates, who was -- who were you targeting with the
15 fee rebates?

16 MR. HORTON: Objection to form.

17 A. I -- it wasn't as specific. It wasn't
18 like, I want these specific people -- whoever is on
19 the exchange trading.

20 Q. Individuals purchasing, selling XRP on the
21 exchanges.

22 MR. HORTON: Objection to form.

23 A. It would include individuals, yes.

24 Q. Did these agreements with exchanges include
25 any provisions that the platform would become a

1 validator for the ledger?

2 A. I don't remember there being any
3 contractual obligations. I think it may have been
4 recommended. I don't remember.

5 Q. Did any of the agreements ever
6 contractually -- did any of the agreements ever
7 include a provision that the platform would become a
8 validator?

9 MS. COWAN: Objection.

10 A. Again, I ...

11 Q. Did Ripple want the exchanges to become a
12 validator of the ledger?

13 MR. HORTON: Objection to form.

14 A. I don't know.

15 Q. Was that -- was getting more exchanges as
16 validators part of Ripple's strategy to further
17 decentralization of the XRP ledger?

18 MR. HORTON: Objection to form.

19 A. I don't remember.

20 Q. Did Ripple target specific exchanges for
21 speculative volume?

22 MR. HORTON: Objection to form.

23 A. No.

24 Q. What -- how did it decide what exchanges to
25 enter into agreements with?

1 A. We've talked about the reputabilities.

2 That was important.

3 THE COURT REPORTER: Could you repeat the
4 answer? I couldn't hear you. I'm sorry.

5 A. Sure.

6 We discussed briefly the -- the idea of
7 kind of reputation and which ones are reputable.
8 That was pretty high on the list of criteria.

9 Fiat liquidity, so the -- the fact that it
10 had a fiat on-ramp, so basically it wasn't just a
11 crypto-to-crypto exchange was important. In
12 particular, because the product -- xRapid really
13 doesn't work if it's just crypto to crypto. You need
14 to be able to park actual fiat at the exchanges.

15 And then probably the last piece -- so 1A
16 and 1B there with the fiat liquidity was just how
17 much activity was on the exchange. So if the
18 exchange had more volume, better than if it had less.

19 Q. Activity from speculators?

20 MR. HORTON: Objection to form.

21 A. You know, there's no way to tell from the
22 outside how much activity on an exchange is from
23 speculators or market makers or whomever. We didn't
24 have visibility into that.

25 Q. Were any of the people buying and selling

1 on exchanges, buying and selling in connection with
2 any Ripple product?

3 MR. HORTON: Objection to form.

4 A. At which point?

5 Q. At any point.

6 MR. HORTON: Same objection.

7 A. Well, yeah, I mean, I mentioned there was a
8 part there in 2018 when xRapid starts to get used
9 by -- first our pilot customers and then our
10 commercial customers.

11 That didn't have anything to do with -- I
12 mean that had everything to do with xRapid.

13 Q. What was x -- what was the volume at
14 trading associated with xRapid as opposed to the
15 overall XRP trading volume?

16 A. In the market? At large, or at particular
17 exchanges?

18 Q. Both.

19 A. So I won't know -- I won't know specifics.
20 I won't remember this. And xRapid kind of took off
21 when I was -- when I went on paternity leave in the
22 middle of '19, I think. And when I came back, I was
23 a little kind of separated from that.

24 But I do remember on Bitso, there came
25 point -- I think it was in late 2019, where XRP flows

1 through xRapid were the biggest liquidity pool, at

2 Bitso, which was a -- it was a point of pride --

3 Q. Did that volume originate with MoneyGram?

4 MR. HORTON: Objection.

5 A. I think MoneyGram was one of the
6 participants. I think -- I think all of the
7 customers, at the time, were using that corridor. So
8 validator with Bitso.

9 Q. And was MoneyGram the largest xRapid
10 customer on Bitso at the time?

11 A. I believe so.

12 Q. And did Ripple pay MoneyGram incentives to
13 transact in XRP in connection with xRapid?

14 A. There was an incentive contract, yes. I
15 don't remember the specifics.

16 Q. Absent those incentives, wouldn't it have
17 been economical for MoneyGram to transact in XRP in
18 connection with xRapid?

19 MR. HORTON: Objection to form.

20 A. Probably not.

21 Q. Other than MoneyGram, did anyone transact
22 in XRP -- transact in XRP, through xRapid, with any
23 significant volume?

24 MR. HORTON: Objection to form.

25 A. I think so. Other -- define "significant."

1 Q. I can't give you an amount.

2 A. Then, neither can I.

3 Q. Was MoneyGram Ripple's largest customer
4 that transacted XRP through xRapid?

5 MS. COWAN: Objection to form.

6 A. I believe so.

7 MS. WAXMAN: Exhibit 37.

8 (Email re: Comp Discussion, Bates-Stamp
9 Number 0070410, was marked MV Exhibit 37 for
10 identification, as of this date.)

11 Q. Mr. Vias, I'm showing you what's been
12 marked Exhibit 37 with the Bates-Stamp
13 Number 0070410.

14 (Witness reviewing document.)

15 A. Okay.

16 Q. In May of 2017, did you request XRP
17 compensation from Ripple?

18 A. Yes.

19 Q. And what did you request?

20 A. Some option -- if I wanted XRP struck at
21 [REDACTED], which knocks in at [REDACTED] with a knock-in
22 window of [REDACTED] with [REDACTED] to expire.

23 Q. And did you feel that you had earned what
24 you were requesting?

25 A. At the time -- I mentioned the fact that

1 Patrick and I had sat down in San Francisco before.

2 You know, it had come to my attention that
3 other folks in the company had received large XRP
4 advance earlier in the company's history. We had
5 done some deals that -- included really large amounts
6 of XRP, and -- you know, I felt like -- given some of
7 the lack of structure, we've seen XRP sales, strategy
8 around the protocol, and not trying to leverage the
9 off-ledger exchanges, I felt that I was bringing a
10 lot of value to the company.

11 And I felt like I would continue to do
12 that. And I felt like I should be compensated for
13 that.

14 Q. What response did you get?

15 A. I mean, so -- honestly, Patrick responds
16 here, a very lengthy response. I won't read it.

17 And then Brad and he -- Brad and Patrick
18 and me, we sat down in New York. And they basically
19 said that they weren't going to give me my ask. But
20 that they -- they would give me more equity in the
21 company.

22 Q. And why didn't they want to give you your
23 ask?

24 MR. HORTON: Objection to form.

25 A. I don't remember exactly the reason.

1 Q. Was it in -- did they say that you had not
2 performed well?

3 A. No.

4 Q. Did you feel that management wasn't
5 recognizing your accomplishments by denying the
6 request?

7 MS. COWAN: Objection.

8 A. No. Actually, in the end, I felt bad for
9 making such a large request. And I was glad that
10 they gave me some liquidity, because I could have
11 just gotten fired.

12 Q. At the time that you made the request, did
13 you have a hope that XRP could appreciate in value?

14 MR. HORTON: Objection to form.

15 A. I don't think there was a hope. I thought
16 all of crypto was going to rally. And I felt we had
17 done just enough work to, again, kind of unstick it
18 from that little corner that it was living in, on the
19 protocol.

20 Q. At that point, did you feel that your
21 efforts had contributed to XRP's increase of value?

22 MR. HORTON: Objection to form.

23 A. Yeah. I think -- indirectly. Look back at
24 2017, how crypto had two massive runups. One in,
25 like, the first half of the year, and then the second

1 half the year. And, you know, I do wonder if we
2 hadn't done some of the work around liquidity
3 building, market development on exchange and off
4 exchange, I do wonder if it would have participated
5 in any of that.

6 It might not have.

7 Q. So you thought your work in connection with
8 growing the XRP market contributed to the increase in
9 XRP's value?

10 MR. HORTON: Objection to form. Misstates
11 his testimony.

12 A. I think we were finally doing things that
13 were going to allow XRP to -- to -- to benefit from
14 everything that was happening in crypto.

15 Q. And what things were you finally doing?

16 A. Again, putting it on exchanges, developing
17 the over-the-counter market, removing FUD with
18 clarity and transparency. Just starting to build a
19 market.

20 Q. Did it also include providing supply
21 clarity for XRP?

22 Did the things you did also include
23 providing supply clarity for XRP?

24 MS. COWAN: Objection.

25 A. I think that was a component of it, yes.

1 Q. Did you also make Ripple's efforts more
2 transparent to the market so that it could be -- so
3 it could be -- these -- those efforts could be
4 reflected in XRP's price?

5 MR. HORTON: Object to form.

6 A. I wouldn't put it that way.

7 So I think what -- with the transparency
8 and its supply clarity, I think that's a -- a broader
9 issue for a market, generally. You know, I do think
10 the -- you know, I think at the time, there hadn't
11 been much said about XRP for a while, by the company
12 or anybody else, really.

13 So I think it was good for interest in XRP
14 markets broadly, that the world knew that we were
15 building products for it to use this liquidity. I
16 think that's helpful.

17 Q. Did you recommend that Ripple be more
18 transparent about what it was doing, related to XRP?

19 MR. HORTON: Objection to form.

20 A. I don't remember specifics, but I think
21 broadly that was my stance, yes.

22 Q. Did people agree with that recommendation?

23 MR. HORTON: Objection to form.

24 A. Some.

25 Q. Did the company seek to make -- what it did

1 relate to XRP more transparent to the market?

2 MR. HORTON: Objection to form.

3 A. I'm sorry, I didn't understand that.

4 Q. Did the company want to make its efforts
5 related to XRP more transparent to the market?

6 MR. HORTON: Objection to form.

7 A. I don't know.

8 MS. WAXMAN: Exhibit 18.

9 (Email exchange beginning with Bates
10 0542677 was marked MV Exhibit 18 for
11 identification, as of this date.)

12 Q. Mr. Vias, I'm showing you what's been
13 marked as MV 18, which is a document that begins with
14 the Bates 0542677.

15 (Witness reviewing document.)

16 A. Okay.

17 Q. Mr. Vias, do you recall receiving this
18 email?

19 A. I don't.

20 Q. Any reason to believe you didn't receive
21 this email?

22 MS. COWAN: Objection.

23 Which email are you talking about?

24 MS. WAXMAN: Talking about the email in the
25 middle of the page, on March 22, 2017.

1 Q. That's your response?

2 A. The one I wrote?

3 Q. That's the one you wrote, yeah.

4 A. Yea. So is the question, did I write that?

5 Q. Any reason to believe you didn't write
6 that?

7 A. No.

8 MS. COWAN: Objection.

9 Q. And who is -- Monica Long is on some of
10 these email strings. Who is Monica Long?

11 A. At the time, she was head of marketing.

12 Q. And on the second page of the email, she
13 writes to Patrick Griffin, Patrick and I were in --
14 in an XRP meeting this morning at which a newish
15 development solidified. It's clear we're going to
16 have to invest our near-term energy into attracting
17 speculators.

18 MS. COWAN: Objection. That email is to

19 [REDACTED] not -- with a cc to [REDACTED]

20 MS. WAXMAN: I'm sorry, I didn't hear you.

21 MS. COWAN: That email is to [REDACTED]

22 [REDACTED] not -- with a cc to Patrick Griffin. She's
23 not writing to Patrick.

24 MS. WAXMAN: Thank you.

25 Q. Do you recall, in early 2017, discussing

1 efforts to attract speculators to XRP?

2 MR. HORTON: Objection to form.

3 A. Not really, no.

4 Q. On the first page, your email, sentence
5 starting, As for speculator motivation, the primary
6 driver tends to be the opportunity to make money,
7 either by trading volatility or by holding an asset
8 in the hopes of -- hopes it appreciates.

9 Is this how you understand the definition
10 of a "speculator"?

11 MR. HORTON: Objection to form.

12 A. I would add a few things here, maybe. I
13 think -- I should have been a little bit clear about
14 what "trading volatility" means. You can -- you can
15 make money -- you can speculate and make money on
16 things that don't move by selling things like
17 strangles and straddles, like option strategies and
18 you just kind of sit there and collect premium. You
19 can also make money when things move, doing the
20 opposite of that and obviously just trading around a
21 price.

22 You can certainly buy it and then sell it.
23 You can also sell it and then buy it. And so in
24 really established markets, the sequencing is kind of
25 a -- irrelevant when you're speculating. You can --

1 you know, if you think something is going to go down
2 before it goes up, you can sell it before you buy it
3 and vice versa. But, yeah, I would have -- I should
4 have added that.

5 Q. But is your understanding that the primary
6 driver for speculators is the opportunity to make
7 money?

8 A. Yes.

9 Q. In the next paragraph, you write, There are
10 no clear signs of its use by anyone.

11 Are you talking about XRP?

12 A. Yes.

13 Q. So in March 2017, you believed that nobody
14 was going to use XRP?

15 MR. HORTON: Objection to form.

16 A. No.

17 Q. Was anybody using XRP at the time for
18 cross-border payments?

19 A. Not that I knew of.

20 Q. Were any banks using XRP at that time for
21 cross-border payments?

22 A. Not that I know of.

23 Q. Did Ripple have a distribution strategy for
24 XRP at that time?

25 MS. COWAN: Objection.

1 A. I think it did, but as we kind of touched
2 on previously, it wasn't very structured.

3 Q. And what was its strategy at the time?

4 MR. HORTON: Objection to form.

5 A. I think most of the distribution strategy
6 revolved around -- it was programmatic XRP sales.

7 Q. And why weren't the programmatic XRP sales
8 very structured?

9 MR. HORTON: Objection to form.

10 A. I don't know.

11 Q. You just said it wasn't very structured.
12 So what did you think about the strategy that wasn't
13 structured?

14 A. I felt we had to put some structure around
15 it.

16 Q. And did you make any recommendations on how
17 to provide any structure?

18 A. Yeah. I think -- I think I mentioned that
19 in a previous email that we looked at today, where I
20 was going to propose some structures around how we
21 were selling. It's how we ended up kind of that more
22 structured cadence, the Friday meetings, the
23 percentage of volume. That's where all that comes
24 from.

25 Q. Got it.

1 Are you familiar with XRP Chat?

2 A. Yes.

3 Q. What is XRP Chat?

4 A. Actually, I don't know if it still exists.

5 But it was a forum where folks discussed

6 XRP. And -- yeah.

7 Q. Did you regularly read XRP Chat?

8 MS. COWAN: Objection.

9 A. I think early on; probably like the first
10 six months, maybe even a year. No, the first
11 probably six months. I think I read it most
12 frequently then, and then it tapered off and then I
13 stopped reading it at all.

14 Q. Why did you read posts on XRP Chat?

15 A. I think I started reading it -- there was a
16 few folks -- and I think this predates when I joined
17 the company -- there were folks on there from the
18 company who would chime in, and there would be
19 discussions about what was happening with respect to
20 XRP broadly, specifically anything the company was
21 doing.

22 You know, it was an interesting place to
23 hear, kind of, folks discuss XRP. And it was a
24 little bit of crypto broadly.

25 Q. Was it a resource for the views of XRP

1 investors and speculators?

2 MR. HORTON: Objection to form.

3 A. You know, I think it was a place where you
4 could -- you could go to get folk's opinions on what
5 was happening with XRP. It was always suggestions,
6 and people always had opinions on what they wanted to
7 see. So, yeah, it was a little bit like a finger on
8 the pulse, if you will.

9 Q. Were there specific threads within XRP Chat
10 devoted to trading and speculation of XRP?

11 MR. HORTON: Objection to form.

12 A. I don't remember any specific threads.

13 Q. Did you regularly post on XRP Chat?

14 Did you post at all on XRP Chat?

15 A. In the beginning, a little bit, yeah. I
16 did.

17 Q. And this was while you were employed with
18 Ripple?

19 A. Yes.

20 Q. And why did you post on XRP Chat?

21 A. I don't remember.

22 MS. WAXMAN: 115, Exhibit 115.

23 (Thread from XRP Chat was marked MV Exhibit
24 115 for identification, as of this date.)

25 Q. Mr. Vias, I'm showing you what's been

1 marked as MV 115, which is a thread from XRP Chat, in
2 the XRP trading and price speculation forum.

3 I'm just going to ask you about your post,
4 on the first and second page.

5 A. Okay.

6 MR. HORTON: Counsel, do you mean first
7 page from the front or from the back?

8 MS. WAXMAN: The front. My understanding.

9 (Witness reviewing document.)

10 A. Okay.

11 Q. Did you post on XRP Chat on February 24,
12 2017, in XRP trading and price speculation?

13 A. Yes.

14 Q. And the post says, Quick question: Outside
15 of banks using XRP and higher prices, if there was
16 one thing you could want us to do for XRP, what would
17 it be?

18 When you say "us," are you talking about
19 Ripple?

20 A. Yes.

21 Q. Then you write, Can't promise anything, but
22 as someone who is responsible for driving our XRP
23 strategy, I'm curious about what this group thinks.

24 "This group" was speculators and traders?

25 MS. COWAN: Objection.

1 A. I don't know. These are folks on XRP Chat.

2 Q. Were these people buying XRP for anything
3 other than for investment purposes?

4 MR. HORTON: Objection to form. Calls for
5 speculation.

6 A. I don't know.

7 Q. You write, I'm curious about what this
8 group thinks.

9 Why did you want to know what this group
10 thought?

11 A. I mentioned before, that there were large
12 chunks of time, where -- XRP didn't really play a
13 part internally and externally, in kind of a -- I
14 shouldn't say it didn't play a part. It played some
15 part, but it just -- it wasn't core to the -- to
16 the -- the software strategy.

17 And I think the before the FincEN fine,
18 everything was about the protocol and everything was
19 about XRP. After the FincEN fine, that changed a
20 little bit. And I think -- it was my assumption,
21 still is, that a lot of the folks who were on XRP
22 Charts -- or Chat, XRP Chat, had become interested in
23 the technology in XRP and Ripple sort of 2013, 2014.

24 And then they were still interested, but
25 there hadn't been much to talk about, and the --

1 there wasn't anything being said about what was
2 happening with XRP.

3 If you will notice a few of these -- a few
4 of the responses here are like, Can you build more
5 developer tools, like -- can we figure out a way to,
6 you know, do interesting projects around NGOs and --
7 pay for good.

8 There was a community around the
9 technology. I think we always focus on crypto as
10 like goods; these things, these assets that people
11 trade and buy and they go up and down and people want
12 to make money. But in -- at their core, they're --
13 they're technology. And in -- in many respects, it's
14 open-source technology that has -- and it's a few
15 folks kind of mention that here.

16 So, anyway, I felt like there was a --
17 there was a lack engagement with this community. And
18 that there could be some benefit by engaging with
19 them.

20 Q. And -- but this community was posting in
21 the forum called XRP Trading and Price Speculation.

22 MR. HORTON: Objection to form.

23 Q. So was this community traders and
24 speculators?

25 MR. HORTON: Objection. Form.

1 A. Yeah, I -- look, I -- this was the thread
2 that was most closely aligned with what I had to work
3 with in the company, which was markets. So it's
4 why -- I think that's why I posted here, but I don't
5 remember why.

6 Q. At the top you write, Outside of banks
7 using it, XRP and higher prices.

8 Was bank usage and higher prices something
9 that Ripple told XRP holders that it would work to
10 do?

11 MR. HORTON: Objection to form.

12 A. No. No. Again, this is a lot that -- I
13 think I remember that being like a common thread in
14 XRP Chat. So I was telling them, like, Look, if
15 you're going to ask me about banks and higher prices,
16 I don't want to talk about that. That's not what I'm
17 here for.

18 Q. Where did that originate, that -- that
19 Ripple would work toward bank usage of XRP?

20 MR. HORTON: Objection to form.

21 A. I don't know.

22 Q. Did Ripple publicly say that?

23 MR. HORTON: Objection to form.

24 A. I don't remember.

25 MS. WAXMAN: Exhibit 15.

(Post from XRP Chat dated February 26, 2017
was marked MV Exhibit 15 for identification, as
of this date.)

Q. Mr. Vias, I'm showing you what's been
marked as MV 15, which is another post from XRP Chat
dated February 26, 2017.

It appears to be by you.

(Witness reviewing document.)

A. Okay.

Q. Did you make this post on February 26,
2017? Was this in response to your question that you
had asked, in Exhibit 115, dated February 24, 2017?

MS. COWAN: Objection.

Q. The -- the second-to-last paragraph says,
The most of you are not Ripple employees. You are
most definitely on the team, some only because you're
long XRP.

What do you mean -- what does that mean,
"long XRP"?

A. It means folks owned XRP.

Q. Does that mean they were looking for the
value of XRP to increase?

A. Yeah. Usually when you're "long"
something, you want it to go up in price.

Q. So in February 2017, were you aware that

1 retail investors were buying XRP for investment
2 purposes?

3 MR. HORTON: Objection to form.

4 A. No.

5 Q. No?

6 A. That's an assumption.

7 Q. Was it your understanding or your belief
8 that retail investors were buying XRP for investment
9 purposes in early 2017?

10 MR. HORTON: Objection to form.

11 A. I assume some folks were long. Yeah.

12 Q. Did you want to ensure that these people
13 knew that they were important to Ripple? And that
14 their views were being heard by Ripple?

15 MR. HORTON: Objection to form.

16 A. I think I wanted them to know that somebody
17 was listening.

18 Q. Why was that important to you?

19 A. You know, like I said, it's -- it's more
20 than just a -- it's more than just a lottery ticket,
21 you know. A lot of people really believed, and still
22 do, in crypto, and what it can do. And a lot of
23 people spend a lot time, energy, effort, yeah.
24 Sometimes money, but most of the time, that's the
25 least important part of it.

1 Q. Did -- a lot of people really believe that
2 Ripple would contribute to an increase in value for
3 XRP?

4 A. I don't --

5 MR. HORTON: Objection.

6 MS. COWAN: Objection.

7 Q. Did anyone ever instruct you to make sure
8 XRP was not sold to speculators?

9 MS. COWAN: Objection.

10 A. No.

11 Q. Or that it was only sold to people who
12 would use it in connection with xRapid?

13 MR. HORTON: Objection.

14 A. No.

15 MS. WAXMAN: Exhibit 116.

16 MR. HORTON: I would like to stop for lunch
17 now.

18 MS. WAXMAN: Yeah, just after this.

19 THE VIDEOGRAPHER: Going off the record --

20 MR. TENREIRO: I think we're staying on.

21 MR. HORTON: I would like to take a lunch
22 break now.

23 MS. WAXMAN: Wait, I didn't call -- we're
24 still off the record. I want to --

25 MR. HECKER: We are asking to take a break

1 for lunch. I think the witness has been going for an
2 hour and a half. We're not asking -- do we need to
3 ask permission to take a break for lunch? We've been
4 going for an hour and a half.

5 MR. TENREIRO: That's not what we
6 discussed, but that's fine.

7 MS. WAXMAN: Okay.

8 MR. HORTON: It's 1:00 o'clock.

9 MS. WAXMAN: We're off the record at 12:55.

10 THE VIDEOGRAPHER: Going off the record at
11 12:55 p.m. Eastern.

12 (Luncheon recess at 12:55)

1 A F T E R N O O N S E S S I O N

2 (1:35)

3 MIGUEL VIAS

4 resumed, having been previously duly

5 sworn by a Notary Public, was

6 examined and testified further

7 as follows:

8 THE VIDEOGRAPHER: We are back on the
9 record at 1:35 p.m. Eastern.

10 CONTINUED EXAMINATION BY MS. WAXMAN:

11 Q. Mr. Vias, I would like to show you what's
12 been marked as Exhibit MV 116, which is a thread from
13 XRP Chat dated August 2017.

14 (XRP Chat dated August 2017 was marked MV
15 Exhibit 116 for identification, as of this
16 date.)

17 (Witness reviewing document.)

18 A. Okay.

19 Q. On page 6, there's a post by you. Any
20 reason to believe you didn't make this post?

21 A. No.

22 Q. Is this a post you made in XRP trading and
23 price speculation forum?

24 A. Yes.

25 Q. Were you -- your post is flagged as a

1 popular post. Does this mean it's been reposted or
2 liked with a high frequency?

3 MR. HORTON: Objection to form.

4 A. I don't know. I don't know what that
5 means.

6 Q. Were you responding to a specific question
7 in the thread?

8 A. I don't -- I don't think so.

9 Q. Is the thread about XRP price movements?

10 A. I don't think that the title is -- is
11 "Miguel Vias and XRP Chat."

12 Q. Okay. And the second page, page 3 of 8, on
13 the bottom, there's a question. It says, Can you
14 shed any light on why the price of XRP is sitting
15 between 16 and 19 cents for so long, despite all the
16 great news?

17 Are you responding to that question?

18 MS. COWAN: Objection.

19 A. I don't remember.

20 Q. Going to your post, why did you make this
21 post?

22 MR. HORTON: Sorry, Counsel, which page are
23 you referring to?

24 MS. WAXMAN: Page 6 of 8.

25 Q. Your post on the bottom of 6.

1 A. I don't remember.

2 Q. You write, Fits and starts, guys. There's
3 a lot of noise out there, so I understand it can be
4 frustrating and confusing.

5 What can be frustrating and confusing?

6 A. I don't know.

7 Q. Are you talking about the changes in XRP's
8 price?

9 MR. HORTON: Object to form.

10 A. I don't know.

11 Q. What can be -- what can be frustrating and
12 confusing?

13 MR. HORTON: Objection. Asked and
14 answered.

15 A. I said, There's a lot of noise out there.
16 And I don't remember what I'm referring.

17 Q. When you talk about noise, generally, are
18 you talking about the markets? Noise in the market?

19 MR. HORTON: Objection to form.

20 A. What do you mean by "noise in the market"?

21 Q. Extra -- extraneous commentary. That could
22 affect the market.

23 A. I really don't know what I meant by this.

24 Q. You write, Our path was never going to be a
25 short one. We work with enterprises, so the pace is

1 slower but the payoff will be worth it.

2 Are you talking about a payoff in terms of
3 increasing XRP's price?

4 MR. HORTON: Objection to form.

5 A. Don't know.

6 Q. What are you talking about when you say
7 "the payoff will be worth it"?

8 A. I mean, there I'm specifically referencing
9 the facts that we work with companies. It's hard to
10 bring companies along, you know, and adopt new
11 products, particularly when they're involved in
12 crypto. But that once you achieve that, that's a --
13 it's kind of a paradigm-shifting thing, at least
14 that's way we viewed it. The technology was so
15 powerful that you could fundamentally change the way
16 financial plumbing worked. It seems like a pretty
17 big payoff.

18 Q. How would that adoption affect traders and
19 speculators?

20 MR. HORTON: Objection to form.

21 A. I don't know that it would.

22 Q. Did Ripple publicly state that more
23 adoption would lead to an increase in value of XRP?

24 MR. HORTON: Objection to form.

25 A. I don't -- more adoption.

1 I don't think so.

2 Q. Did Ripple tell XRP holders that it would
3 work to increase the demand for XRP?

4 MR. HORTON: Objection to form.

5 A. Not that I know of.

6 Q. After you say -- you then go on to say,
7 What I would say, it's a little disappointing to hear
8 complaints about XRP not appreciating fast enough.

9 Are you talking about XRP price not
10 appreciating fast enough?

11 A. Yes.

12 Q. Then you go on to say, Our vision is --
13 couple sentences down, you say, Our vision is
14 literally world-changing and the last thing we are
15 worried about is price going up.

16 Then you write, That's a forgone conclusion
17 if we continue to focus on the work, which is exactly
18 what we're doing.

19 When you say "that's a forgone conclusion,"
20 are you talking about XRP's price going up?

21 A. Yes.

22 Q. Did you represent that XRP's price would go
23 up if Ripple would continue to work -- continue to do
24 the work that it's doing?

25 MR. HORTON: Objection to form.

1 A. I think it is important to -- kind of --
2 double back a little bit on what I said before, about
3 unsticking XRP. It's kind of off in this little
4 corner, not really part of crypto. I think
5 overlaying all of this is a -- like a strong belief
6 that crypto was going to be a thing. Remember, this
7 is -- when? -- August of '17. Bitcoin had that first
8 move. We still don't have [REDACTED] in Ethereum.
9 It was early still.

10 And I think even at this point, I still had
11 some concerns around -- because, you know, there have
12 been -- previous to my joining, there have been a lot
13 of twists and turns around the product strategy. And
14 I think we're making good progress around making XRP
15 used where everything else that crypto existed on
16 was, but there was still risk.

17 So I read this now and I say to myself,
18 Well, you know, as long as we continue to do the
19 things that we were doing in the first half of that
20 year, with the big assumption that crypto continues
21 to grow, then XRP is going to be fine. We're not
22 going to be the thing that hurts XRP.

23 Q. But weren't you saying that you would
24 continue to work to increase the value of XRP?

25 MR. HORTON: Objection to form.

1 A. No.

2 I think I quite literally said, I'm not
3 worried about the price. I also --

4 Q. You said that's a forgone conclusion.

5 MR. HORTON: Objection.

6 Q. Continue.

7 MR. HORTON: I'm sorry, is there a question
8 pending?

9 Q. On the second page of the document, you
10 made a post that says, I'm always watching.

11 A. Yeah.

12 Q. Why did you write that?

13 A. I was just being funny. I mean, the title
14 of the -- of the post is, you know, is Miguel --
15 because I think -- and this is trying to go back
16 quite a bit now, but -- I think I'd been more active
17 when I first joined, and then I stopped being active.
18 I wasn't as active anymore. And I think that's what
19 the question is really asking, is are you still on
20 XRP Chat.

21 Q. I would like to show you what's been marked
22 as Exhibit MV 119.

23 (Email from Mr. Vias, re: XRP's Recent
24 Performance, Bates 0353469, was marked MV
25 Exhibit 119 for identification, as of this

1 date.)

2 MR. TENREIRO: Nicole, I'm going to send it
3 now, 119.

4 MS. WAXMAN: 119 is a document with the
5 Bates 0353469.

6 MR. TENREIRO: Sorry. There's more copies
7 here. I'll send it to the ...

8 (Witness reviewing document.)

9 A. Okay.

10 Q. Do you recall sending this email?

11 A. I do not.

12 Q. Any reason to believe you didn't send it?

13 A. No.

14 Q. What is this email about?

15 A. Do you mean why did I send it in?

16 Q. Why did you send it?

17 A. I don't remember.

18 Q. Were you concerned that XRP was not part of
19 a recent price rally?

20 MR. HORTON: Objection to form.

21 A. I don't remember.

22 Q. Did you have any understanding or any
23 belief as to why XRP was not part of the recent price
24 rally?

25 MR. HORTON: Objection to form.

1 A. Discuss it a little bit in the email.

2 Q. And what did you say?

3 A. Kind of goes back to the things I've been
4 saying -- I've said few times already.

5 This is January 4, 2017, so about six weeks
6 after I've joined now. And it's just -- it's
7 becoming more and more clear to me that XRP isn't
8 really a part of crypto yet.

9 Q. Well, you write, XRP is not significantly
10 listed on off-ledger exchanges. It does not have
11 adequate wallet support. Markets do not view it as
12 truly decentralized. And they distrust it because so
13 much of it is in so few hands.

14 Were those the reasons why you thought XRP
15 was not included in the recent rally?

16 MR. HORTON: Objection to form.

17 A. What it says on the page.

18 Q. What do you mean by "markets do not view it
19 as truly decentralized"?

20 A. Yeah, at the time, there was a -- kind of
21 more FUD around the holdings being centralized, as
22 well as the network.

23 Q. And why was the network not truly
24 decentralized?

25 MR. HORTON: Objection to form.

1 A. So are you asking me why? Or why people
2 thought? I don't know.

3 Q. Well, why did people think that the markets
4 were not -- that the ledger wasn't decentralized?

5 MR. HORTON: Objection to form.

6 A. Yeah, I -- I know it had to do with the
7 validator makeup, but I don't remember the specifics.

8 Q. Did Ripple control the majority of
9 validators on the XRP ledger in January 2017?

10 MR. HORTON: Objection to form.

11 A. I don't know.

12 Yeah, I don't know.

13 Q. Did Ripple control the majority of XRP
14 holdings in January 2017?

15 MR. HORTON: Objection to form. Lack of
16 foundation.

17 A. I think so. Yeah. I think -- I think it
18 was around 60 billion at the time.

19 Q. Did you recommend that Ripple be more
20 proactive about XRP in its marketing?

21 MR. HORTON: Objection to form.

22 A. Are you referencing something in the
23 document?

24 Q. You write, Our long-term strategy involves
25 inserting XRP into Ripple and having the world run

1 payments through XRP. Even if that doesn't happen,
2 because the banks never get comfortable with XRP,
3 that message is clear and powerful. It means XRP has
4 the potential to be the institutional digital asset
5 standard bearer for legitimate global value transfer.

6 Then you continue to write, We need to make
7 sure the world knows it. I understand there are
8 sensitivities around this type of messaging.

9 What sensitivities are you talking about?

10 A. I don't remember.

11 Q. What messaging were you talking about?

12 A. I mean just putting XRP back in the overall
13 company narrative.

14 Q. How would you do that?

15 MR. HORTON: Objection to form.

16 A. I don't know.

17 I don't know.

18 Q. Did you make any recommendations how to put
19 XRP back into the company narrative?

20 MR. HORTON: Objection to form.

21 A. I don't remember.

22 Q. Did you recommend that Ripple specifically
23 promote XRP?

24 MR. HORTON: Objection to form.

25 A. Sorry, promote how?

1 Q. Did you recommend that Ripple promote XRP
2 as an investment?

3 MR. HORTON: Objection to form. Lack of
4 foundation.

5 A. No.

6 Q. Did you recommend that Ripple promote XRP,
7 for any reason?

8 MR. HORTON: Objection to form.

9 A. Not that I remember.

10 Q. At the very last paragraph, you write, I
11 intended it to be market commentary, but the more I
12 thought about it, the clearer it became that, while
13 important, market activity is not the primary driver
14 of XRP's underperformance. XRP is not performing
15 because we have work to do and that should be our
16 focus.

17 If -- then you write, If we execute, and we
18 will, I have no doubt that markets will recognize the
19 value of XRP.

20 You believe that Ripple's efforts in the
21 above areas would lead to XRP's increased value?

22 MR. HORTON: Objection to form.

23 A. January 4, 2017, it's hard to even -- to
24 really think that XRP was part of crypto markets.

25 My job was head of XRP markets. My job was

1 to make sure that XRP became as liquid as possible.
2 All of the activity at the time revolved around this
3 Bitcoin and Ethereum. And my job was to make sure
4 that we put XRP basically everywhere, at least
5 initially, as a -- just a -- basic goal, where crypto
6 lives.

7 XRP wasn't rallying; the same reason that
8 it wasn't going down when these other markets were
9 going down. It just wasn't part of crypto.

10 Q. So your job was to put XRP on the map in
11 January 2017.

12 MR. HORTON: Objection to form.

13 A. No maps. No maps. But -- we wanted to get
14 to a place -- this was my basic thesis: If, at some
15 point, you want to end up with a real enterprise
16 software product, using underlying crypto liquidity
17 through XRP, there was no way you were going to get
18 to that point without basically -- letting the
19 tailwinds of the rest of crypto push you along. It
20 was just too hard.

21 All of this work on the protocol was
22 just -- it wasn't working. So when I say we have
23 work to do, I'm pretty clearly saying, like, my team
24 has work to do. I call it out. I call out almost
25 everything that I think my team has to do.

1 Q. What are those things that you're calling
2 out?

3 MR. HORTON: Objection to form.

4 A. Eight to ten exchanges, MOPs used to run
5 payments through the exchanges. I mean, even here,
6 right, this is January of '17. We haven't even drawn
7 up xRapid already yet. But we're already trying to
8 talk about the use case, kind of off the protocol.

9 Q. In January 2017, were you trying to create
10 a market for XRP?

11 MR. HORTON: Objection to form.

12 A. No. The market existed. It's just small.

13 Q. You were trying to grow the market.

14 MR. HORTON: Objection.

15 A. Yes.

16 MS. WAXMAN: Exhibit 21.

17 (Email re: Ripple Media Tracking 3.24.17,
18 Bates 0461956 to -59, was marked MV Exhibit 21
19 for identification, as of this date.)

20 (Witness reviewing document.)

21 A. Okay.

22 Q. Did Ripple's marketing department ask you
23 to promote XRP on social media?

24 MR. HORTON: Objection to form.

25 A. I don't remember.

1 Q. Did they ask you to tweet about XRP price
2 increases?

3 MR. HORTON: Objection to form.

4 A. I don't think so.

5 Q. Are they asking you to do that in this
6 email?

7 MR. HORTON: Objection to form.

8 A. No.

9 Q. Did marketing ask you to ask Ripple
10 partners and others to publicize and tweet about XRP?

11 MR. HORTON: Objection to form.

12 A. In this email?

13 Q. In this email, and outside of this email.

14 A. I don't remember outside the email.

15 Q. Did they do that in this email?

16 A. In this email, Monica is reaching out it
17 Patrick and myself, and asking, suggesting some
18 possible tweets, and whether or not some of our
19 partners might be willing to retweet them.

20 Q. And did they suggest tweets about XRP's
21 price increase?

22 MR. HORTON: Objection to form.

23 A. I mean, there's three bullet points here.
24 They all have something to do with the price of XRP.

25 Q. When you say "something to do with the

1 price of XRP," does it have to do with the price of
2 XRP increasing?

3 MR. HORTON: Objection to form.

4 A. Yes.

5 Q. And why did they want you to ask Ripple
6 partners to tweet about XRP's price increase?

7 MR. HORTON: Objection to form.

8 A. I don't know.

9 Q. Did Brad endorse the idea?

10 MR. HORTON: Objection to form.

11 Q. In the middle of the email he says, Love
12 the idea.

13 Did he endorse it?

14 MS. COWAN: Objection to the form.

15 A. It sounds like endorsement.

16 Q. Okay. Do you recall this -- do you recall
17 this request from marketing outside of this email?

18 A. I don't.

19 MS. COWAN: Objection to form.

20 Q. Outside of this email, did Brad endorse
21 this idea about promoting XRP on social media?

22 MR. HORTON: Objection to form.

23 A. I don't know.

24 MS. WAXMAN: Exhibit 24, please.

25 (Email re: Commitment on XRP for

1 [REDACTED], Bates [REDACTED] 0057043, was marked
2 MV Exhibit 24 for identification, as of this
3 date.)

4 (Witness reviewing document.)

5 A. Okay.

6 Q. Do you recall this email?

7 A. I don't.

8 Q. Who is [REDACTED]?

9 A. [REDACTED] -- I think she's -- I think she
10 still works at Ripple. I don't know in which
11 capacity. At the time, she was -- she worked at [REDACTED]
12 [REDACTED], and she was our primary point of
13 contact there, our account manager, whatever.

14 Q. What is [REDACTED]?

15 MR. HORTON: Objection to form.

16 A. I'm not exactly sure.

17 Q. Was [REDACTED] Ripple's PR firm?

18 MR. HORTON: Objection to form.

19 A. I -- I would -- I don't know what [REDACTED]
20 [REDACTED] does.

21 Q. Why would [REDACTED] reach out to you?

22 MR. HORTON: Objection.

23 A. Yeah, I -- what I'm reacting to, I'm not
24 sure if they're PR, marketing. I'm not even exactly
25 sure how to couch them. They help with marketing